

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: April 10, 2007
POSITION: Support
SPONSOR: Office of Emergency Services

BILL NUMBER: SB 548
AUTHOR: D. Hollingsworth

BILL SUMMARY: Emergency Services Act: Disaster Response

This Administration-sponsored bill, an urgency measure, would extend the sunset date for the Disaster Response-Emergency Operations Account (DREOA) from January 1, 2007 to January 1, 2013, and would extend the timeframe in which allocations for disaster response operation costs may be made from the DREOA from 120 days after the Governor proclaims an emergency to 360 days.

FISCAL SUMMARY

The DREOA is an account within the Special Fund for Economic Uncertainties (SFEU). By statute, this fund is appropriated \$1,000,000 General Fund at the beginning of each fiscal year. The funds in this account are continuously appropriated and if the account requires additional funds to meet claims against it, the Director of Finance may transfer funds from the SFEU to the DREOA in an amount sufficient to pay the amount of the claims that exceed the unencumbered balance. By extending the sunset date of a continuously appropriated account, this bill would make an appropriation.

General Fund costs to the state that would be incurred by this measure are unknown and would depend on the number of disasters that occur and result in a Governor's proclamation of a state of emergency and the costs incurred by state agencies as a result of their response to those emergencies. Extending the timeframe in which allocations from the DREOA can be made from 120 days to 360 days will provide the Administration with the flexibility of paying unanticipated state disaster response costs as needed.

COMMENTS

We support this bill because it would ensure that the Administration continues to have the flexibility to pay for unanticipated state disaster response costs as needed.

Existing law establishes the DREOA within the SFEU and appropriates \$1,000,000 annually for state disaster response operation costs resulting from Governor's proclamation of a state of emergency and continuously appropriates the funds in the account without regard to fiscal year.

This bill would extend the sunset date of the DREOA from January 1, 2007 to January 1, 2013. By extending the sunset date of a continuously appropriated account, this bill would make an appropriation.

The potential threat of disasters in California, including acts of terrorism, make it crucial that the DREOA remain operative. The continuance of the DREOA would give the Administration more flexibility and ability to act in a timely manner if California is faced with a major disaster or terrorist attack that exceeds the Office of Emergency Services' budgeted disaster assistance authority.

Analyst/Principal (0210) J. Carosone	Date	Program Budget Manager Todd Jerue	Date
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Department Deputy Director	Date
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Governor's Office:	By:	Date:	Position Approved _____
			Position Disapproved _____

BILL ANALYSIS	Form DF-43 (Rev 03/95 Buff)
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AUTHOR

AMENDMENT DATE

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SB 548

		SO	(Fiscal Impact by Fiscal Year)							
Code/Department		LA	(Dollars in Thousands)							
Agency or Revenue		CO	PROP							Fund
Type		RV	98	FC	2006-2007	FC	2007-2008	FC	2008-2009	Code
9901/Var Depts		SO	No	-----	See Fiscal Summary				-----	0001
9901/Var Depts		SO	No	-----	See Fiscal Summary				-----	0375
<u>Fund Code</u>	<u>Title</u>									
0001	General Fund									
0375	Disaster Response-Emerg Operations Acc									